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**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
LUFKIN DIVISION**

TRUE HEALTH DIAGNOSTICS, LLC,)	
)	Case No. _____
Plaintiff,)	
)	
v.)	
)	
ALEX M. AZAR, II, SECRETARY, UNITED STATES DEPARTMENT OF HEALTH & HUMAN SERVICES, and SEEMA VERMA, ADMINISTRATOR, CENTERS FOR MEDICARE & MEDICAID SERVICES,)	EMERGENCY RELIEF REQUESTED
)	
Defendants.)	

DECLARATION OF CHRISTIAN RICHARDS

I, Christian Richards, pursuant to 28 U.S.C. § 1746, state and declare:

- 1) I am over twenty-one years of age and, if called to testify at a hearing in this matter, can and will competently testify to the following facts of which I have personal knowledge.
- 2) I am the Chief Financial Officer for Plaintiff True Health Diagnostics, LLC (“True Health”). I have served in this role since March 2015.
- 3) Upon information and belief, CMS is withholding over \$20 million owed to True Health for services rendered to Medicare patients since 2017.
- 4) Medicare payments have typically constituted approximately 30% of True Health’s revenue.
- 5) True Health’s lenders have advised it that it has defaulted on the financial covenants in its credit agreement, including True Health’s covenant to maintain certain minimum balances in its operating accounts.

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6) Based upon the current circumstances, without the Court's intervention, True Health will be nearly out of cash on or before July 8, 2019. The equity holders of True Health have informed me they will no longer consider providing any future funding to True Health unless the suspension is lifted, except for potentially funding certain costs of an orderly liquidation.

7) CMS has withheld some or all of the payments due to True Health for services rendered to Medicare patients for over two years. For much of that time, certain stakeholders made additional advances to keep the company operating while it endeavored to resolve the DOJ Civil Division matter. However, given ongoing government investigations, along with the associated two Medicare payment suspensions, True Health no longer has any investors or lenders willing to continue funding its continued operations, except potentially for an orderly bankruptcy or liquidation.

8) CMS's actions directly caused True Health to default on its bank loans in 2017, and it has been unable to pay any interest on those loans since late 2017.

9) At this time, True Health is on the verge of being unable to pay its over 400 employees. Absent the lifting of the suspension by CMS, True Health will seek bankruptcy protection or liquidation outside of bankruptcy immediately.

10) True Health provides diagnostic services for earlier-stage prevention and diagnosis of chronic disease, including cardiovascular disease, diabetes, cancer, genetic disorders and metabolic conditions. Its closure may deprive patients of these crucial diagnostic services, causing patient health to suffer. True Health currently serves approximately 1400 patients per day and currently is processing over 3000 samples for testing. Filing for bankruptcy protection

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or seeking liquidation outside of bankruptcy will affect True Health's ability to process and complete these tests, which could adversely impact patients in need of a time-sensitive test result.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 2, 2019.



Christian Richards